



STATE OF WASHINGTON
DEPARTMENT OF COMMUNITY,
TRADE AND ECONOMIC DEVELOPMENT

2003 Biennial Energy Report

Energy Strategy Update:
*Responding to the New
Electricity Landscape*

February 2003

Prepared by the Energy Policy Division
Washington State Department of Community, Trade and Economic Development
Martha Choe, Director

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Message from the Director

Dear Reader:

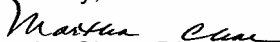
During 2000 and 2001 Washington State and the entire West Coast faced a major electricity crisis with wholesale prices rising to unprecedented levels and blackouts throughout much of California. Although that crisis has passed, Washington will continue to suffer economically from its legacy. The crisis also underscored a need to examine the state's energy and electricity policies. Every two years the Washington State Department of Community, Trade, and Economic Development (CTED) is required to report to the legislature on key energy issues (RCW 43.21F.045). In addition, CTED is responsible for updating and implementing the State Energy Strategy, a document that was first issued in 1993. This biennial report combines those two requirements into an update of the State Energy Strategy with a specific focus on electricity issues and policies.

CTED, with assistance from the Governor's policy office, undertook this effort with the help of a very knowledgeable and highly committed advisory committee. We also received contributions from many other interested parties and the general public. As you read this report you will note that it provides a qualitative and quantitative description and analysis of the electricity challenges that Washington and the Northwest face. More importantly, it sets out thirteen guiding principles for the direction of state efforts. These principles represent the collective discussions and agreements of our advisory committee. They recognize the fundamental economic, environmental and policy implications of our electricity system. They acknowledge the opportunities we have for foresighted action in areas ranging from utility integrated resource planning, to development of our state's nascent clean energy cluster, to the opportunities to capitalize on increased public awareness and concern about energy issues.

However, this document is not merely a statement of principles it is also an invitation to turn those principles into actions. Our next step, therefore, will be to develop specific goals and strategies to implement the principles. CTED will be taking this report to the general public, as well as meeting with diverse interest groups, stakeholders and advisory committee members about how we can next move from policy direction to concrete action.

We hope that legislators, the Governor and citizens of the state will find this document informative and useful and look forward to continuing to work with all of these groups on implementation efforts.

Sincerely,


Martha Choe, Director

Washington State Department of Community, Trade
and Economic Development